

Wealth Management Consultants, Inc.

2000 Cash Flow Projection

On the following page we have detailed a cash flow projection for 2000. The following assumptions have been built into the projection:

1. Salary is \$375,000 per year, and your bonus was \$325,000. Withholding was derived from the paystubs you provided.
2. Options exercises are shown for your 1993, 1994 and 1995 grants. At a minimum, exercise of your entire 1993 and 1995 grants are needed to cover Lake Pleasant construction costs and your investments from earlier in the year.
3. Living expenses were not increased above the 1999 projection.
4. Investments of \$111,100 per month continue through July.
5. Real estate taxes are based on 1999 actuals from your completed tax return.
6. Charitable contributions are assumed the same as 1999, as reported on your tax return. Timing will be consistent with 1999, with most occurring just before year-end.
7. Lake Pleasant construction costs are expected to be \$600,000, incurred over three months this summer. In order to build up cash necessary to complete these renovations, we recommend that at a minimum you exercise your 1995 options.

You are projected to spend about \$969,000 on living expenses and 2000 income taxes in 2000, and you are projected to earn \$1,126,281 net of withholding from Clientco salary, bonus and option exercises. Your investments during the first half and your construction costs are a material cash drain, though; in 2000 your net cash flow will be (\$1,030,800).

If you exercise only the 1993 and 1995 grants, you will end 2000 with about \$66,500 in cash. If the 1994 grant is also exercised, you will have about \$216,000 in cash. Accounting for investments and cash needs, you could invest up to \$125,000 of this cash.

John and Mary Sample

2000 Monthly Cash Flow

<u>SOURCES:</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
John's Salary	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$31,250	\$375,000
Federal W/H	(7,512)	(7,512)	(7,512)	(7,512)	(7,512)	(7,512)	(7,512)	(7,512)	(7,512)	(7,512)	(7,512)	(7,512)	(90,143)
Illinois W/H	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(638)	(7,656)
FICA/Medicare	(2,391)	(2,391)	(453)	(391)	(391)	(391)	(391)	(391)	(391)	(391)	(391)	(391)	(8,750)
Other (Savings Plan)	(8,277)	(8,277)	(8,277)	(8,277)	(8,277)	(8,277)	(8,277)	(8,277)	(8,277)	(8,277)	(8,277)	(8,277)	(99,328)
<i>Net Salary</i>	<u>\$12,432</u>	<u>\$12,432</u>	<u>\$14,370</u>	<u>\$14,432</u>	<u>\$14,432</u>	<u>\$14,432</u>	<u>\$14,432</u>	<u>\$14,432</u>	<u>\$14,432</u>	<u>\$14,432</u>	<u>\$14,432</u>	<u>\$14,432</u>	<u>\$169,123</u>
Bonus/IIIP	-	\$325,000	-	-	-	-	-	-	-	-	-	-	\$325,000
Federal W/H	-	(128,700)	-	-	-	-	-	-	-	-	-	-	(128,700)
Illinois W/H	-	(9,750)	-	-	-	-	-	-	-	-	-	-	(9,750)
FICA & Medicare	-	(5,320)	-	-	-	-	-	-	-	-	-	-	(5,320)
Other (SP)	-	(39,000)	-	-	-	-	-	-	-	-	-	-	(39,000)
<i>Net Incentive Payments</i>	<u>-</u>	<u>\$142,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$142,230</u>
Option Exercise - \$60	-	-	-	-	-	\$918,464	-	\$271,204	-	\$266,862	-	-	\$1,456,530
Federal W/H	-	-	-	-	-	(363,712)	-	(107,397)	-	(105,677)	-	-	(576,786)
Illinois W/H	-	-	-	-	-	(27,554)	-	(8,136)	-	(8,006)	-	-	(43,696)
Medicare	-	-	-	-	-	(13,318)	-	(3,932)	-	(3,869)	-	-	(21,120)
<i>Net Option Exercise</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$513,881</u>	<u>-</u>	<u>\$151,739</u>	<u>-</u>	<u>\$149,309</u>	<u>-</u>	<u>-</u>	<u>\$814,929</u>
Interest on Cash Accounts	\$3,459	\$3,459	\$3,459	\$3,459	\$3,459	\$3,459	\$3,459	\$3,459	\$3,459	\$3,459	\$3,459	\$3,459	\$41,504
Cash Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Spinoffco Stock Sale	-	-	63,708	-	-	-	-	-	-	-	-	-	63,708
Clientco Restricted Dividends	-	-	-	-	-	-	-	-	-	-	-	43,750	43,750
Clientco Dividends	-	-	-	-	-	-	-	-	-	-	-	39,818	39,818
TOTAL SOURCES	<u>\$15,891</u>	<u>\$158,121</u>	<u>\$81,536</u>	<u>\$17,891</u>	<u>\$17,891</u>	<u>\$531,771</u>	<u>\$17,891</u>	<u>\$169,630</u>	<u>\$17,891</u>	<u>\$167,200</u>	<u>\$17,891</u>	<u>\$101,459</u>	<u>\$1,315,062</u>
<u>USES:</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
Living Expenses	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$32,500	\$390,000
Travel	-	-	7,500	-	-	5,000	-	-	-	-	5,000	-	17,500
Lake Pleasant Renovation Cos	-	-	-	-	-	-	250,000	225,000	125,000	-	-	-	600,000
Investments	111,000	111,000	111,000	111,000	111,000	111,000	111,000	-	-	-	-	-	777,000
Bond Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	-	-	10,500	-	-	-	-	9,500	-	-	10,500	-	30,500
Charitable Gifts	-	-	500	-	500	-	-	500	500	-	-	8,000	10,000
1999 Federal Taxes	-	-	-	404,515	-	-	-	-	-	-	-	-	404,515
1999 State Taxes	-	-	-	(3,621)	-	-	-	-	-	-	-	-	(3,621)
2000 Federal Taxes	-	-	-	27,500	-	27,500	-	-	27,500	-	-	27,500	110,000
2000 State Taxes	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
TOTAL USES	<u>\$143,500</u>	<u>\$143,500</u>	<u>\$162,000</u>	<u>\$571,894</u>	<u>\$144,000</u>	<u>\$176,000</u>	<u>\$393,500</u>	<u>\$267,500</u>	<u>\$185,500</u>	<u>\$32,500</u>	<u>\$48,000</u>	<u>\$78,000</u>	<u>\$2,345,894</u>
NET CASH FLOW	<u>(\$127,609)</u>	<u>\$14,621</u>	<u>(\$80,464)</u>	<u>(\$554,003)</u>	<u>(\$126,109)</u>	<u>\$355,771</u>	<u>(\$375,609)</u>	<u>(\$97,870)</u>	<u>(\$167,609)</u>	<u>\$134,700</u>	<u>(\$30,109)</u>	<u>\$23,459</u>	<u>(\$1,030,832)</u>
BEGINNING CASH	<u>\$1,246,741</u>	<u>\$1,119,131</u>	<u>\$1,133,752</u>	<u>\$1,053,288</u>	<u>\$499,285</u>	<u>\$373,176</u>	<u>\$728,948</u>	<u>\$353,338</u>	<u>\$255,468</u>	<u>\$87,859</u>	<u>\$222,559</u>	<u>\$192,450</u>	
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